

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6015**

**BILL NUMBER: HB 1371**

**DATE PREPARED: Oct 8, 2001**

**BILL AMENDED:**

**SUBJECT:** Religious Freedom Restoration Act.

**FISCAL ANALYST:** John Parkey

**PHONE NUMBER:** 232-9854

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill allows the state, a political subdivision, or another governmental entity to substantially burden a person's exercise of religion only if the governmental entity can demonstrate that the application of the burden to the person is essential to further a compelling governmental interest and is the least restrictive means of imposing the burden. The bill allows a person with standing in an administrative or a judicial proceeding to assert as a claim or defense that a governmental entity has unlawfully burdened the exercise of religion in violation of this law. The bill also allows reasonable costs and attorney's fees to a person who prevails in asserting the claim or defense. The bill allows a court, upon finding that a person has filed a frivolous or fraudulent claim under this law, to enjoin the person from filing further claims under the law without leave of court.

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** This bill has the potential of impacting the Attorney General's Office and other state agencies if it causes these affected agencies to spend time and resources defending an alleged burdening of the exercise of religion. If the state is found through a proceeding to have burdened the exercise of religion, the claimant may be paid monetary damages, reasonable costs, and attorney fees.

***Background Information:*** The Office of the Attorney General reports the amount of damages paid as a result of all tort claims submitted and tort claim lawsuits filed against the State and by plaintiffs in tort and civil rights litigation between CY 1996 and CY 2000 as follows:

<u>CY</u>	<u>Damages Paid</u>
1996	\$ 5,742,977
1997	\$ 3,438,230
1998	\$ 2,935,075
1999	\$ 5,052,346
2000	\$ 9,362,912

The amount paid includes tort claims paid at the time of claim submission, settlements upon the filing of lawsuits, and settlements paid as a result of a court order. It also includes cases in both federal and state court.

**Explanation of State Revenues:** *Court Fee Revenue* This bill may increase the filings of civil actions. The filing fee for civil actions is \$100. Of this fee, 70%, or \$70, is deposited in the State General Fund if the case is filed in a trial court. If a case is filed in a city or town court (providing that the court has jurisdiction), the State General Fund receives 55% of the \$100 filing fee.

There were 71,778 civil plenary cases filed in 1999 in courts of record statewide. Civil plenary cases are defined as those founded in contract, actions dealing with real and personal property, as well as actions seeking equitable or injunctive relief.

**Explanation of Local Expenditures:** This bill could have an administrative impact on the caseloads of trial or city and town courts if additional civil actions are filed. The operating expenses of the trial courts are paid by the county general fund. The expenses of the city and town courts are paid by the general fund of the city or town in which the court is located.

**Explanation of Local Revenues:** *Court Fee Revenue:* If a case is filed in a trial court, the county general fund receives 27%, or \$27, of the \$100 filing fee. The 3% or \$3 is deposited in the general fund of the cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a circuit, superior, county, or municipal court located in the county. If the case is filed in a city or town court (providing the court has jurisdiction), the county general fund receives 20% while the city or town general fund receives 25%.

**State Agencies Affected:** Attorney General's Office.

**Local Agencies Affected:** Courts of record and some city and town courts.

**Information Sources:** 1999 Indiana Judicial Report, Vol. I, p.50; Jennifer Thuma, Legislative Counsel, Attorney General's Office, 233-6143.